



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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September 21, 2009

TO: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe
Auditor-Controller

SUBJECT: **LOS ANGELES CENTERS FOR ALCOHOL AND DRUG ABUSE
CONTRACT – FOLLOW-UP REVIEW**

At the request of the Department of Public Health (DPH), Office of AIDS Programs and Policy (OAPP), we completed a follow-up review of Los Angeles Centers for Alcohol and Drug Abuse's (L.A. CADA or Agency) progress in implementing the recommendations from our October 10, 2008 report. The purpose of our original review was to determine if L.A. CADA had appropriately spent funds in accordance with the County contract.

The Agency implemented the two recommendations included in our report. The following are the recommendations and their implementation status. In addition, our follow-up review identified an additional \$890 in unallowable questioned costs the Agency needs to repay OAPP.

EXPENDITURES

Recommendation 1

L.A. CADA management repay DPH \$2,018.

Current Status: IMPLEMENTED

Verification

L.A. CADA repaid OAPP \$2,018 on November 18, 2008.

Recommendation 2

L.A. CADA management ensure supporting documentation is maintained for all OAPP expenditures.

Current Status: IMPLEMENTED

Verification

We reviewed five 2008 expenditures and L.A. CADA maintained documentation that supported program expenditures. However, L.A. CADA did not appropriately allocate shared program expenditures in accordance with their Cost Allocation Plan. As a result, the Agency overcharged DPH \$890 for accounting and audit fees.

New Recommendation

- 1. L.A. CADA management repay DPH \$890 and ensure that staff allocate expenditures in accordance with their Cost Allocation Plan.**

We discussed our report with L.A. CADA on July 23, 2009. The Agency agreed with the results of our follow-up and to repay DPH the \$890 in questioned costs. We also notified DPH of the results of our review and they will follow-up with the Agency to ensure the questioned costs are repaid.

We thank L.A. CADA for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (213) 253-0301.

WLW:MMO:JET:DC:EB

c: William T Fujioka, Chief Executive Officer
Jonathan E. Fielding, Director, Department of Public Health
Brenda Wiewel, Executive Director, L.A. CADA
Public Information Office
Audit Committee